

## **Ed Miliband's letter to energy companies on resetting the energy market**

In recent years we have discussed the need to rebuild public trust in the energy market many times. I think we all agree on the importance of that objective if we are to build a market that both delivers for consumers and underpins the investment in future clean energy capacity that we all want to see.

Our intention is to now reset the market that has consistently failed to secure the confidence of the public or the investment Britain needs. Doing that requires two steps.

First, it means legislating to build competition and transparency into the market, with a trusted regulator standing behind the system. Second, it means ensuring that in the time it takes to put a new system in place, up to the start of 2017, we ensure the prices paid by consumers do not rise.

A fairer market for consumers must be matched by a better deal for investors. So we have also committed to set a 2030 power sector decarbonisation target; hold to the system of contract for difference in the Energy Bill; create an Energy Security Board with responsibility for identifying our energy needs and providing a clear framework to deliver this; and give the Green Investment Bank borrowing powers to support investment.

We believe that this framework will create certainty and attract the range of domestic and international investors we need in the years ahead.

I appreciate that you will not welcome all aspects of this package. But it is my firm view that without resetting the market we are not going to see the public consent that is required to underpin the scale of taxpayer backed guarantees for which you have argued.

I am prepared to make the case for sharing the risks of such investment, but that must be against the backdrop of a market that customers believe works for them.

You and I know that the public have lost faith in this market. There is a crisis of confidence. We face a stark choice. We can work together on the basis of this price freeze to make the market work in the future. Or you can reinforce in the public mind that you are part of the problem not the solution.

This is a genuine opportunity to reset the energy market in the interest of consumers and investors. Caroline Flint and I stand ready to work with you on these proposals in the months ahead. I look forward to continuing to discuss them with you.

Yours sincerely,

Rt Hon Ed Miliband MP